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**COVER STORY: Healthcare system alert: Proposed changes to federal Medicare Advantage could cost Puerto Rico \$1 billion!**

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*United front needed to save the local healthcare industry...and ensure island residents' well-being*

**"Pierluisi argues for 'equal treatment' in D.C."**

*Resident commissioner: Healthcare memorandum my 'best weapon' in argument for funding parity*

By JOHN MARINO

Don't expect Resident Commissioner Pedro Pierluisi to seek special treatment for Puerto Rico in Washington, D.C. His main message on Capitol Hill is all about getting equal treatment for the island.

"That's my mantra," he said. "That's really what I follow in everything I do.

"Full participation in federal programs is the best deal for Puerto Rico," Pierluisi added.

There has probably never been a better time for Puerto Rico to seek equal treatment, according to most long-time observers of island affairs in the nation's capital.

The federal government is distributing billions in economic-stimulus funds and looking to establish a universal healthcare system that presents a viable opportunity for Puerto Rico and other U.S. territories to finally win parity in federal healthcare funding.

In fact, Pierluisi pointed to the more than \$5 billion over the next two years Puerto Rico will receive under the American Recovery & Reinvestment Act as his greatest achievement in office so far, and he said it was done by using an "equal inclusion argument."

He will now focus on the upcoming universal healthcare process and press for equal terms with other states, including funding levels. "Do you realize what parity would mean," Pierluisi said of the up to an additional \$2 billion the island could receive annually if caps on Medicaid, Medicare and other federal healthcare and related programs were lifted, and the island is treated like a state.

Jeffrey Farrow, who was the Clinton administration's point man on island affairs, agrees "right now the focus ought to be healthcare legislation. That's moving pretty fast."

Pierluisi said the document signed last week by healthcare professionals and political leaders from the island's two major political parties would be his "strongest weapon" during the universal healthcare legislative process that will likely get under way this summer.

The memorandum, signed by administration officials, New Progressive Party legislative leaders, minority Popular Democratic Party lawmakers and 23 private-sector healthcare organizations, asked the U.S. government for parity in federal healthcare funding for Puerto Rico through such programs as Medicaid, the State Children's Health Insurance Program (SCHIP) and Medicare and Medicare Advantage.

"It's very important to send a solid, unequivocal message that will resonate in Congress that we speak with one voice," Gov. Luis Fortuño said in announcing the accord.

Lifting the Medicaid cap alone would boost annual funding under the program to about \$1.2 billion from the current \$300 million it receives.

While the poorest states get up to 83% of their healthcare funding expenditures covered by Medicaid, Puerto Rico gets only about 14%, according to administration officials. Medicaid funding equaled \$565 per capita in the States and just \$54 per capita in Puerto Rico, according to the U.S. Government Accountability Office.

**Imagining universal coverage** Pierluisi said inclusion in the federal scheme would bring both new opportunities and responsibilities, which would be worth assuming under conditions of funding parity.

The resident commissioner said the federal push for universal healthcare would help improve medical and related services on the island by expanding coverage and boosting standards of care for all patients.

Specifically, Pierluisi said the federal effort would look to expand the definition of the “medically indigent” covered through government programs, and to increase standards of care under such programs in exchange for increased funding.

Another idea would be to allow younger seniors to start benefiting from the Medicare program earlier, but paying a premium for the benefits.

Businesses would also be encouraged or required to provide health coverage for employees, but would receive tax credits in exchange. Pierluisi said that because of Puerto Rico’s separate tax system, to fully participate and benefit from the program, it would need to receive funding through block grants to help businesses shoulder the burden of providing coverage.

Creating a nationwide universal healthcare system, in which healthcare providers and insurers compete to provide the best service at the best price, would drive down costs and boost quality of services, the resident commissioner said.

*[http://www.caribbeanbusinesspr.com/news02.php?nw\\_id=1379&ct\\_id=0&ct\\_name=1](http://www.caribbeanbusinesspr.com/news02.php?nw_id=1379&ct_id=0&ct_name=1)*